



**ARIZONA DEPARTMENT OF ECONOMIC SECURITY**

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Janet Napolitano  
Governor

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Director

**August 10, 2005**

**WIA GUIDANCE LETTER #10-05**

**SUBJECT: Sanctions Process – Meeting Youth Competitive Procurement Requirements under Title I of the Workforce Investment Act (WIA)**

**REFERENCE:** P.L. 105-220 Workforce Investment Act of 1998, Section 184(B) (1); 20 CFR 667.410(b) (2) (ii); 20 CFR 667.410(b) (4); 20 CFR 667.410(b) (5) of WIA Final Rules, August 11, 2000

WIA Guidance Letter #02-05 – WIA Title 1B Youth Procurement Guidelines –

WIA P.L. 105-220 117(d)(2)(B) Functions of Local Board – The functions of the local board shall include the following: Selection of Youth Providers – Consistent with Section 123, the local board shall identify eligible providers of youth activities in the local area by awarding grants or contracts on a competitive basis, based on the recommendations of the youth council.

P.L. 105-220 123 Identification of Eligible Providers of Youth Activities – From funds allocated under paragraph (2)(a) OR (3) of section 128(b) to a local area, the local board for such area shall identify eligible providers of youth activities by awarding grants or contracts on a competitive basis, based on the recommendations of the youth council and on criteria contained in the State plan, to the providers to carry out the activities, and shall conduct oversight with respect to the providers, in the local area.

20 CFR 661.305 What is the role of the Local Workforce Investment Board? (a) (3) Selecting eligible youth service providers based on the recommendations of the youth council and identifying eligible providers of adult and dislocated worker intensive services and training services, and maintaining a list of eligible providers with performance and cost information as required in 20 CFR part 663, subpart E.

20 CFR 661.340 What are the responsibilities of the Youth Council? The youth council is responsible for (c) Recommending eligible youth service providers in accordance with WIA section 123, subject to the approval of the Local Board.

State WIA Plan Section III.B. 1. f. Criteria for selection of youth providers – LWIBs will be developing a comprehensive Youth Services Plan during their initial planning process. Applications from local providers of youth services will be solicited and selected by the local Youth Council using a competitive process. The recommended providers will be forwarded to the LWIB for final approval and awarding of contracts. Each LWIB will establish procedures for competitive awards in accordance with local procurement procedures and ensure that a full array

of services for youth per Section 129(C) (2) (A-J), including services for youth with disabilities, are available in their LWIA. The State will review the procurement procedures established by the LWIBs to ensure that the procedures appear to be facially nondiscriminatory and to have no discriminatory impact.

Each local area will develop and identify, as a part of its local Comprehensive Youth Services Plan, criteria to identify effective and ineffective youth activities and providers. LWIBS, in consultation with their Youth Councils, will determine the most appropriate activities to be conducted to fill the gaps in local youth services.

**BACKGROUND:** The Workforce Investment Act of 1998 contains provisions intended to hold states and Local Workforce Investment Areas/Administrative Entities (LWIAs/AEs) accountable for meeting the program requirements for activities funded by WIA. The U.S. Department of Labor Review of 2003, Finding 29 identified two local areas not in compliance with the WIA Section 123 requirement that contracts for youth program services be awarded on a competitive basis. The review “recommended that Arizona determine if youth program operations of other local areas are potentially affected by this finding. Competitive procurement of Youth Program services is a key reform principle in the WIA.

The State has identified eight (8) LWIBs who were not in compliance with the youth competitive procurement requirement at the time of the PY04 Technical Assistance Review. Subsequently, lack of youth competitive procurement was a finding in each LWIB’s review report. Technical assistance by SPR Associates, WIA Field Operations staff, as well as copies of Request for Proposal documents have been made available to the LWIA’s to assist with the development of an appropriate proposal.

The Arizona Governor’s Council on Workforce Policy adopted Youth Procurement Guidelines on February 1, 2005. These guidelines provide procedures and guidance for LWIBs to use in procuring youth service providers. It outlines the specific functions of youth program operations the LWIB can provide and the procedures to be followed if no qualified providers are successfully awarded a contract.

Failure to meet the requirements of the WIA legislation and regulations for a competitive youth procurement process may compromise an LWIA’s/AE’s ability to provide services.

**ACTION REQUIRED:**

- The LWIB has thirty (30) calendar days to respond to the Technical Assistance Final Report and submit documentation of compliance or a corrective action plan for the finding;
- The EA/WIA Section will review responses for compliance and if documentation provided is accepted by EA/WIA to close the finding, the final report will be issued; or

- If EA/WIA identifies that the information provided is insufficient or not comprehensive enough to ensure compliance, the EA/WIA will respond to you within fifteen (15) working days with the needed action to be taken and the finding will remain open;
- If no response is received to show compliance with the competitive procurement requirement the EA/WIA Field Operations Unit will notify the WIA Fiscal Unit to issue a “Letter of Notice” to the LWIA/AE within ten (10) calendar days. This notification will designate a reduction of 25% of the original allocation of youth funds to be withheld for a period of 30 days.
- If compliance with the requirement is not met at that time, an additional 25% will be withheld until such time as compliance with this requirement is provided.
- EA/WIA Section reserves the right to freeze funds until compliance with the Competitive Youth Procurement requirements are met by an LWIB.

It is imperative that LWIBs/AEs distribute this document to all appropriate staff responsible for WIA youth program operations. If you have questions, you may contact Mimi Hurtado, WIA Field Operations Manager at [mhurtado@azdes.gov](mailto:mhurtado@azdes.gov) or (602) 542-2475.

Sincerely,

A handwritten signature in black ink, reading "Lela Alston", followed by a vertical red line.

Lela Alston, Manager  
WIA Section  
Employment Administration